Monthly Variation in Bank Credit: Scheduled Commercial Banks
Financial Year 2001-02

Item	Outstanding		Variation
	As on May 18, 2001	As on June 29, 2001	June 29, 2001 over May 18, 2001
Bank Credit (a+b) of which	520329	518657	-1672(-0.3)
(a) Food Credit	46436	50340	+3904
(b) Non-Food Bank Credit	473893	468317	-5576(-1.2)

(Figures in bracket indicate percentage variation over the previous month)

As can be seen from the above, between May and June 2001, bank credit declined by Rs. 1,672 crore from Rs. 5,20,329 crore as on May 18, 2001 to Rs. 518657 crore by June 29, 2001 mainly due to a decline in non-food credit of Rs. 5576 crore from Rs. 4,73,893 crore to Rs. 468317 crore. However, food credit had increased by Rs. 3904 crore from Rs. 46,436 crore to Rs. 50,340 crore during the same period.

(c) The Monetary and Credit Policy of April 2001 had indicated that the Reserve Bank of India would ensure that all legitimate requirements for credit are met consistent with price stability. Adequate flexibility has been given to banks in prescribing interest rate and facilitates credit flow. The interest rates have, in fact, softened in line with the expectations. Credit pick-up depends on the overall growth and business confidence and it would pick-up with changes in perceptions and increased investor confidence about the overall prospects of the economy.

Relaxation in Prudential Norms of Cooperative Banks

2507. SHRI RUMANDLA RAMACHANDRAIAH: Will the Minister of FINANCE be pleased to state:

(a) whether a section of cooperative banks have decided to approach the Central Bank seeking relaxation of the stringent prudential norms announced in the monetary policy on 19th April, 2001;

(b) if so, whether some cooperative banks felt that the policy is very restrictive and would impact the bottomline of the banks;

(c) if so, whether chiefs of some large cooperative banks held a meeting with senior officials of the Reserve Bank of India in the month of May, 2001; and

(d) if so, to what extent Government have agreed for relaxation of norms for cooperative banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) Reserve Bank of India (RBI) has reported that it has received representations from National Federation of Urban Co-operative Banks and Credit Societies Ltd. (NAFCUB), New Delhi, Maharashtra State Co-operative Bank Ltd., Mumbai and the Maharashtra Urban Co-operative banks' Federations Ltd., Mumbai expressing their concern over the implications of the Monetary Policy measures on Urban Co-operative Banks (UCBs), District Central Co-operative Banks (DCCBs) and State Co-operative Banks (SCBs) and requested for reconsiderations.

(c) Yes, Sir.

(d) As reported by RBI, these measures were initiated in view of the recent developments as well as for further strengthening of the urban cooperative banking movement. Hence, RBI has not agreed for relaxation of these measures at this stage.

Senior citizens' counter in Banks

2508. SHRI RAJNATH SINGH 'SURYA': Will the Minister of FINANCE be pleased to state:

(a) whether there is any proposal to open senior citizens' counter in banks or providing them essential service by phone in computerized branches;

(b) if so, the details thereof; and

(c) if not, whether Government would consider this proposal?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (c) No. Sir. However, Indian Banks' Association has reported that the Banks have issued instructions to their branches to extend courteous and need based services to senior citizens as also to provide exclusive counters for senior citizens where the concentration of pensioners is large. Tele- Banking Services, wherever available, are also offered to senior citizens.

Practical problems like age proof, enough number of customers, additional space, cost of additional staff/furniture, availability of staff etc., will make it unviable for banks to consider separate counter for senior citizens as a compulsory arrangement.